



**MEMORANDUM OF COOPERATION BETWEEN THE DEPARTMENT OF
TRANSPORTATION OF THE UNITED STATES OF AMERICA AND THE
DEPARTMENT OF TRANSPORT OF CANADA**

The Department of Transportation of the United States of America (United States Department of Transportation) and the Department of Transport of Canada (Transport Canada), hereinafter referred to collectively as the "Participants",

Recognizing the interest of the Participants in improving motor vehicle fuel efficiency;
and

Desiring to enhance communication in matters relating to improving motor vehicle fuel efficiency without compromising each Participant's ability to carry out its responsibilities;

Intend to cooperate as follows:

1. *PURPOSE*

The purpose of this Memorandum of Cooperation (hereinafter referred to as "Memorandum") is to enhance communication between Transport Canada and the United States Department of Transportation, through its National Highway Traffic Safety Administration, concerning motor vehicle fuel efficiency, and to promote the exchange of information in the area of motor vehicle fuel efficiency.

2. *AREAS OF COOPERATION*

The Participants intend to communicate and exchange information under this Memorandum in the following areas:

- (i) Research, modeling and analysis, related to fuel efficiency standards; and
- (ii) Developments and initiatives related to motor vehicle fuel efficiency.

3. *FORMS OF COOPERATION*

- (a) The Participants intend to maintain an open and continuing dialogue relating to motor vehicle fuel efficiency.
 - (i) The Participants may meet periodically to share their respective strategies and regulatory practices governing motor vehicle fuel efficiency.
 - (ii) The Participants may exchange research on modeling and analysis related to fuel efficiency standards. For example, subject to applicable restrictions on the distribution of proprietary or other confidential data, the Participants may share and discuss information, such as fuel economy models, assessment of technological changes to improve the fuel efficiency of motor vehicles, potential options for fuel economy standards, assessment of auto industry impacts of proposed standards, and developments related to potential credit trading systems.

(iii) The Participants may exchange information on motor vehicle fuel efficiency developments and initiatives in the two countries. For example, subject to applicable restrictions on the distribution of proprietary or other confidential data, the Participants may share and discuss information, such as work plans and experiences relating to the use of economic instruments to promote the production and purchase of environmentally friendly motor vehicles and initiatives to retire older vehicles.

(b) The Participants mutually understand that efforts under this Memorandum may depend on the respective internal circumstances in Canada and the United States and may be affected by factors, such as differences or divergences in regulatory priorities, availability of funds, and any difficulties that could arise during the course of this cooperation.

4. *FUNDING*

Pursuits of activities under this Memorandum are subject to the statutory authority of each Participant and the availability of appropriated funds to each Participant for these purposes. The Participants do not intend to transfer funds between them pursuant to this Memorandum.

5. *LIMITATION*

Activities carried out under this Memorandum, including exchange of information, are subject to the applicable laws, regulations, policies and procedures of each of the Participants.

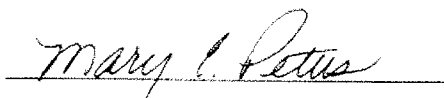
6. *DISCLAIMER*

Each Participant intends to make every effort to seek the accuracy of all data and information exchanged pursuant to this Memorandum. However, the accuracy of such data and information is not guaranteed. Therefore, each Participant uses the other's data at its own risk.

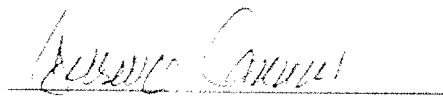
7. *DURATION*

The activities under this Memorandum may commence upon the date of the signature below of both Participants. The Memorandum may be modified in writing by both Participants and may be discontinued upon written notice by either Participant.

Signed in duplicate, at Tucson, Arizona, this 26th day of April, 2007, in the English and French languages.



FOR THE DEPARTMENT OF
TRANSPORTATION OF THE UNITED
STATES OF AMERICA



FOR THE DEPARTMENT OF
TRANSPORT OF CANADA



PROTOCOLE DE COOPÉRATION ENTRE LE DÉPARTEMENT OF TRANSPORTATION DES ÉTATS-UNIS D'AMÉRIQUE ET LE MINISTÈRE DES TRANSPORTS DU CANADA

Le Department of Transportation des États-Unis d'Amérique (Department of Transportation des États-Unis) et le ministère des Transports du Canada (Transports Canada), ci-après désignés conjointement « les Participants »,

Reconnaissant l'intérêt des Participants à améliorer l'efficacité énergétique des véhicules automobiles;

Désirant mettre l'accent sur la communication au sujet des questions relatives à l'amélioration de l'efficacité énergétique des véhicules automobiles sans compromettre la capacité de chaque Participant à s'acquitter de ses responsabilités;

Sont convenus des dispositions suivantes :

1. OBJET

Le présent protocole de coopération (ci-après désigné « le Protocole ») a pour but d'améliorer la communication entre Transports Canada et le Department of Transportation des États-Unis, par l'intermédiaire de la National Highway Traffic Safety Administration, sur la question de l'efficacité énergétique des véhicules automobiles, et de favoriser l'échange d'information dans le domaine de l'efficacité énergétique des véhicules automobiles.

2. SECTEURS DE COOPÉRATION

En vertu du présent Protocole, les Participants ont l'intention de communiquer et d'échanger de l'information dans les secteurs suivants :

- i) recherche, modélisation et analyse relatives aux normes d'efficacité énergétique;
- ii) développements et initiatives liés à l'efficacité énergétique des véhicules automobiles.

3. FORMES DE COOPÉRATION

- a) Les Participants ont l'intention de maintenir un dialogue ouvert et constant sur l'efficacité énergétique des véhicules automobiles.
 - i) Les Participants pourront se réunir périodiquement pour partager leurs stratégies et pratiques réglementaires respectives portant sur l'efficacité énergétique des véhicules automobiles.
 - ii) Les Participants pourront échanger des recherches sur la modélisation et des analyses sur les normes d'efficacité énergétique. Par exemple, sous réserve des restrictions applicables à la diffusion des données exclusives ou d'autres données confidentielles, les Participants pourront partager et discuter de l'information, notamment sur les modèles d'économie de carburant, l'évaluation des changements technologiques pour améliorer l'efficacité énergétique des véhicules automobiles, des options possibles en ce qui a trait aux normes d'économie de carburant, l'évaluation des répercussions des normes proposées sur l'industrie automobile et les développements relatifs aux systèmes d'échange de crédits éventuels.

iii) Les Participants pourront échanger de l'information sur les développements et les initiatives en matière d'efficacité énergétique des véhicules automobiles dans les deux pays. Par exemple, sous réserve des restrictions applicables à la diffusion des données exclusives ou d'autres données confidentielles, les Participants pourront partager et discuter de l'information, notamment des plans de travail et des expériences relatifs à l'utilisation d'instruments économiques pour encourager la production et l'achat de véhicules automobiles écologiques et des initiatives de mise hors circulation définitive des vieux véhicules.

b) Les Participants s'entendent que les efforts entrepris dans le cadre du présent Protocole peuvent dépendre des circonstances internes respectives au Canada et aux États-Unis et peuvent être influencés par certains facteurs, comme les différences et les divergences en matière de priorités réglementaires, la disponibilité des fonds et toute difficulté qui pourrait survenir dans le cadre de cette coopération.

4. *FINANCEMENT*

La poursuite des activités dans le cadre du présent Protocole est assujettie à l'autorisation légale de chaque Participant et à la disponibilité des fonds affectés à cette fin à chaque Participant. Les Participants ont l'intention de ne pas transférer de fonds entre eux en vertu du présent Protocole.

5. *RESTRICTIONS*

Les activités exercées dans le cadre du présent Protocole, y compris l'échange d'information, sont assujetties aux lois, règlements, politiques et procédures applicables de chaque Participant.

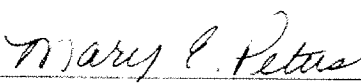
6. *EXONÉRATION DE RESPONSABILITÉ*

Chaque Participant a l'intention de prendre tous les moyens pour s'assurer de l'exactitude de toutes les données et de l'information échangées conformément aux dispositions du présent Protocole. Cependant, l'exactitude des données et de l'information n'est pas garantie. Par conséquent, le Participant qui utilise les données de l'autre le fait à ses propres risques.

7. *DURÉE*

Les activités dans le cadre du présent Protocole pourront débuter à la date de signature du présent Protocole par les deux Participants. Le Protocole pourra être modifié par écrit par les deux Participants et pourra prendre fin sur avis écrit de l'un des Participants.

Signé en double exemplaire à Tucson, Arizona, ce 26^{ème} jour de Avril 2007, en langues française et anglaise.


POUR LE DEPARTMENT OF
TRANSPORTATION DES ÉTATS-UNIS
D'AMÉRIQUE


POUR LE MINISTÈRE DES
TRANSPORTS DU CANADA

**UNITED STATES-MEXICO-CANADA
TRILATERAL TRANSPORTATION MEETING**

**Tucson, Arizona
April 27, 2007**

MINISTERIAL DECLARATION

Building on the spirit of cooperation, collaboration and accomplishment that has characterized the relationship among Canada, Mexico and the United States and which is embodied in the North American Free Trade Agreement (NAFTA), we the Ministers responsible for Transportation in North America, have met this day in Tucson, Arizona in order to confirm and advance our commitment to developing coordinated, compatible and interconnected national transportation systems. We affirm that such systems will support our shared vision for increased economic and social development, trade, tourism, cooperation and a healthy environment among our countries in the 21st century. We have met for the first time in Tucson to consider the future of our shared transportation interests in an increasingly globalized world. We have determined that this meeting will be the first of periodic meetings of transport ministers to monitor travel and trade trends, to continue discussions on future transportation needs, to reassess the priorities that we have set today and to chart our progress in light of our objectives.

During our discussions we have highlighted the fact that the globalization of our economies has yielded strong economic benefits to our citizens but that it has also put

pressure on our ports, borders and airports. We have further recognized that because many of our most important infrastructure facilities are located in urban areas, greater volumes of international freight and passenger traffic, when combined with increasing local traffic, and without off-setting policies and programs will result in greater congestion, delay, degradation of environmental quality and higher shipping and travel costs.

We recognize that real economic benefits in North America result from open and fair trade, transparency in economic regulations, and sound, market-based economic policies, including appropriate regulatory frameworks, and genuine, innovative partnerships between the public and private sectors. We are convinced of the important role that a safe, efficient, well-integrated, and accessible transportation system with minimized environmental impact plays in the growth of trade of our nations and in the health and wellbeing of our citizens. We believe that actions to facilitate commerce across our borders in all modes of transport, especially in road transport, will improve supply chain and logistics processes and provide for continued North American competitiveness. In this regard, we recognize a need for adequate transportation infrastructure and efficient transportation services within and between our countries.

Building on our strong cooperative spirit, we have agreed on several core objectives to guide our future work. These are: 1) to continue to improve the safety, security, and efficiency of North American transportation systems, including gateways, 2) to ensure

the adoption of new technologies and procedures, and investments in infrastructure improvements, 3) to improve intermodal connections, and 4) to expand the capacity of our freight and passenger transportation systems in partnership with other stakeholders, while minimizing transportation's effect on the environment.

NEXT STEPS

We, the Ministers, recognize that our meeting today must be followed by action. Accordingly, we commit ourselves to beginning a process that, during the next ten years, will achieve the following specific outcomes, linked to the above objectives:

Aviation Cooperation

- 1) expand air relationships in a timely manner to meet the increasing demand for air services in North America with equitable opportunities for the three countries*
- 2) Advance seamless air transport systems in North America.*
- 3) Implement in the near term agreed core principles that will govern fractionally owned aircraft within North America*

Trade Facilitation Cooperation

- 4) Improve the safety, security, efficiency and seamlessness of continental transport of people and goods.*

Safety Cooperation

- 5) Develop seamless and systematic collection, sharing, and analysis of transportation and safety data across North America.*
- 6) Reduce transportation related fatalities and injuries in North America*

Regulatory and Information Cooperation

- 7) *Create a mechanism or enhance existing mechanism(s) to increase transparency in the regulatory process, exchange best practices, and share information among regulators with the intent to strengthen trilateral regulatory cooperation and the compatibility of regulations.*


We recognize these outcomes will challenge us and our successors and that for some there will be intermediate steps in their attainment.


To achieve these outcomes we will intensify our collaboration both bilaterally and trilaterally as appropriate. We will also be working through the existing vehicle of the Security and Prosperity Partnership initiative which has already yielded important and positive results across a wide spectrum of government cooperation among our three nations, and we will be working through other forums or creating new forums as specific plans and requirements evolve. As we come to the end of the first Global Road Safety Week, designed to raise awareness about the toll of road traffic deaths and injuries worldwide, we commit to improving road safety in North America through cooperation on effective programs designed to improve safety on our roadways.

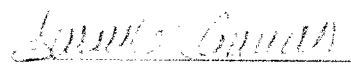
CONCLUSION

We the Ministers responsible for transportation in North America are taking the opportunity presented here in Tucson to begin a new process of engagement to

cooperatively and collaboratively assess the transportation needs of the NAFTA countries in light of changing global trade and tourism trends and the possible consequences of those changing trends on congestion, economic development and the environment. Our challenge, and that of our successors, is long term. We welcome this opportunity, and through sustained cooperation and goodwill, commit ourselves to achieving tangible results.


For The Department of
Transportation of the
United States of America


For the Ministry of
Communications and
Transport of Mexico


For the Department of
Transport of Canada

**Memorandum of Consultations
Between the Secretariat of Communications and Transportation
of the United Mexican States and the Department of
Transportation of the United States of America on the
Demonstration Project to Implement NAFTA's Cross-Border
Trucking Provisions between Mexico and the United States**

The governments of the United Mexican States and the United States of America (the "Participants") had productive and fruitful discussions regarding a Demonstration Project concerning long-haul cross-border truck transport services under the Participants' North America Free Trade Agreement (NAFTA).

The governments of Mexico, as represented by the Secretary of Communications and Transportation, and the United States, as represented by the Secretary of Transportation, have discussed a reciprocal one-year Demonstration Project granting a limited number of authorizations to motor carrier companies licensed by each Participant to operate international long-haul cross-border truck transport services in the territory of the other Participant.

1. The Demonstration Project envisions participation of no more than 100 carriers from each Participant operating in the territory of the other Participant. In order for the Participants to have sufficient time to implement regulations and approve carrier applications, the Demonstration Project is intended to commence not later than July 15, 2007, with the issuance of up to 25 permits for long-haul operating authority in each Participant's territory. The Participants intend to continue to issue up to 25 permits each per month, until either 100 permits per country are issued or all the interested participating companies that fully comply with the requirements have received permits for operating authority. The Participants seek to include companies in the Demonstration Project that will constitute a representative sample of the motor carrier industry of each country.
2. The purpose of the Demonstration Project is to give motor carriers of each country experience in operating in the other, to clarify in detail the border opening procedures, and to facilitate an objective evaluation by each Participant of the performance in its territory of motor carriers from the other Participant. It is the expectation of the Participants that, at the end of the 12-month period, subject to the results of their respective evaluations, that new carrier applications will be processed through the normal operating authority procedures of each country without quantitative restrictions.

3. The Demonstration Project will operate under the guidance of a technical Binational Monitoring Group with a directive to detect any problem, obstacle or deficiency, including those on market access, and to design and recommend the implementation of specific and timely solutions.

The Group will be composed of officials from the Secretariat of Communications and Transportation (SCT) and the Secretariat of Economy (SE) from Mexico, and from the Department of Transportation (DOT) and the Office of the United States Representative (USTR) from the United States. The Monitoring Group will hold monthly meetings to assess the development of the Demonstration Project.

4. Discriminatory treatment of carriers and drivers is prohibited by the Participants' obligations under the NAFTA. The Technical Binational Monitoring Group will adopt a zero-tolerance policy for any such discrimination and will support that policy when necessary by suggesting measures to Federal and State authorities for implementation.
5. The Demonstration Project seeks balance regarding the number of vehicles operating in the territory of the other Participant. Hence, the Participants intend to consult when the number of vehicles operating in either Participant's territory pursuant to the Demonstration Project approaches forty (40) percent more than the number of vehicles operating in the other Participant's territory.
6. The Participants agree that no authority will be issued as part of the Demonstration Project for passenger motor carriers or motor carriers engaging in hazardous material transport.
7. The Participants believe that enhanced capacity of FAST/C-TPAT (Free and Secure Trade Program, and Customs Trade Partnership against Terrorism) lanes is beneficial to motor carriers of both countries, and intend to support efforts to that effect. Further expansion of dedicated FAST/C-TPAT lanes at critical United States/Mexico border crossings is currently being explored. In this regard, there are important opportunities for bilateral cooperation, as the effectiveness of these lanes would be enhanced by the provision of dedicated lanes in Mexico leading to the crossings. The Participants may continue ongoing discussions with other government agencies, including the Secretariat of Economy and the Tax Administration Service in Mexico and the Department of Homeland Security in the United States, in an attempt to improve border crossing efficiency. The Participants will explore improvements on both sides of the border relative to these ongoing efforts, including the encouragement of enrolling more motor carriers and drivers in the C-TPAT and FAST

programs. Carriers participating in the Demonstration Project will, upon application, be enrolled in the FAST and C-TPAT programs.

8. The Participants recognize the legal authority of inspectors from DOT and SCT, as representatives of the Governments of the United States and Mexico, respectively, to conduct on-site inspections for purposes of audits to certify motor carriers for operating authority. Inspectors from DOT and SCT shall not be authorized to undertake in the territory of the other Participant functions that are reserved exclusively for such Participant by its domestic law. The Participants also recognize that inspections by Commercial Vehicle Safety Alliance (CVSA) inspectors, regardless of nationality, are valid, provided inspections occur in full accordance with the Participants' respective laws and regulations.
9. In order to comply with each Participant's domestic regulations regarding on-site inspections, personnel that need to inspect motor carriers, vehicles, and drivers from the other Participant may be granted consular agent status. Towards that end, SCT and DOT will explore the possibility of signing a Memorandum of Understanding that will be submitted to the approval of Mexico's Secretariat of Foreign Affairs and the U.S. Department of State.
10. To ensure the efficient use of valuable motor carrier assets, the Participants intend to facilitate prompt correction of readily reparable out-of-service defects on otherwise properly functioning and compliant vehicles that are identified at or near border inspection stations.
11. Information regarding the safety performance of motor carriers is available to the public through customary channels and in accordance with the normal procedures of the relevant Participants' agencies involved in the activities. Participants will work together to make non-confidential information available regarding safety performance of each motor carrier.
12. The Participants recognize the prohibition against domestic cabotage point-to-point operations and, in addition to inspections, plan to work together to facilitate the enforcement of such prohibition in their respective territories. The Participants plan to explore the use of satellite tracking technology as an additional enforcement tool.
13. This Memorandum will become effective the date of its signature. Either Participant may suggest a change to this Memorandum by submitting the proposed amendment either in consultation with, or in writing to, the other Participant.

The Participants intend, through this Demonstration Project, to facilitate the normalization of long-haul, cross-border truck transport services as provided for in the NAFTA. This normalization will create effective access and fair competitive conditions to enhance the overall competitiveness of the region, and to facilitate trade and cooperation between both countries at the same time. With this project, Mexico and the United States endorse their common desire to fulfill their obligations and to demonstrate their mutual commitment to facilitating unrestricted cross-border goods movement by motor carrier, thereby enhancing the competitiveness and prosperity of North America as a basic pillar to strengthen their development.

FOR THE DEPARTMENT OF
TRANSPORTATION OF THE
UNITED STATES OF AMERICA

FOR THE MINISTRY OF
COMMUNICATIONS AND
TRANSPORT OF MEXICO

Signature: [Signature]

Signature: [Signature]

Date: April 27, 2007

Date: 22th April 2007